

**STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT**

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**IN THE MATTER OF:**

**THE LEAGUE COMPANY, INC.** its managers, officers, affiliates,  
subsidiaries, representatives, successors, and assigns, and;

**THE LEAGUE, INC.** its managers, officers, affiliates, subsidiaries,  
representatives, successors, and assigns, and;

**JAMES E. HARRIS**, an individual, and;

**BEVERLY M. JOHNSON**, an individual, and;

**BENJAMIN JONES, JR.**, an individual, and;

**TERRENCE DUCKETTE**, an individual,

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**File No. 1400270**

**ORDER OF PROHIBITION**

**TO THE RESPONDENTS:**

The League Company, Inc.  
950 2<sup>nd</sup> Street Suite 206  
Santa Monica, CA 90403

The League, Inc.  
1158 26<sup>th</sup> Street, Suite 532  
Santa Monica, CA 90403

CSC Services of Nevada, Inc.  
Care of:  
The League Company, Inc., and  
The League, Inc.  
2215-B Renaissance Drive  
Las Vegas, NV 89119

James E. Harris  
10354 Wilshire Blvd Apt 10  
Los Angeles, Ca 90024

Beverly M. Johnson  
251 S. Windsor Boulevard  
Los Angeles, CA 90004

Benjamin Jones, Jr.  
1158 26<sup>th</sup> Street, Suite 532  
Santa Monica, CA 90403

Terrence Duckette  
4322 Wilshire Boulevard, Suite 200E  
Los Angeles, CA 90010

Order of Prohibition  
-1400270-

A Temporary Order of Prohibition was issued by the Illinois Secretary of State on March 12, 2015, temporarily prohibiting the Respondents from offering or selling securities in the State of Illinois and from engaging in the business of an investment adviser and/or an investment adviser representative in the State of Illinois for a maximum period of ninety (90) days.

Pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq*] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of the Temporary Order of Prohibition shall constitute an admission of any alleged facts therein and constitute a sufficient basis to make the Temporary Order final.

**Respondents The League Company, Inc., The League, Inc., James E. Harris, Beverly M. Johnson, Benjamin Jones, Jr., and Terrence Duckette** have each failed to request a hearing on the matters contained in the Temporary Order of Prohibition within thirty (30) calendar days of the entry of said Temporary Order and the Respondents are hereby deemed to have admitted the facts alleged in the said Temporary Order.

**COUNT I**

**Sale of Unregistered Securities**

1. The League Company, Inc. (the "League Co.") was a Nevada Corporation with the last known address of 950 2<sup>nd</sup> Street, Suite 206, Santa Monica, CA 90403. The League Co. registration as a Nevada Corporation was permanently revoked on or around April 2007. The League Company, Inc. was established as a corporation which engaged in the business of making athletic shoes.
2. The League, Inc. (the "League") was a Nevada Corporation with the last known address of 1158 26<sup>th</sup> Street, Suite 532, Santa Monica, CA 90403 and purportedly replaced Respondent The League Company, Inc. The League's registration status is currently listed as revoked by the Nevada Secretary of State.
3. During the relevant time period of April 2011 to April 2012, Respondent James E. Harris ("Harris") was listed as the President, Chief Executive Officer and control person of the League. Respondent Harris has the last known address of 10354 Wilshire Blvd Apt 10, Los Angeles, Ca 90024.
4. During the relevant time period of April 2011 to April 2012, Respondent Beverly M. Johnson ("Johnson") was listed as the Secretary, Treasurer, and Director of the League. After April 2012, Respondent Johnson was listed as the President, Treasurer, and Director of the League. Respondent Johnson has the last known address of 251 S. Windsor Boulevard, Los Angeles, CA 90004.
5. Respondent Benjamin Jones, Jr. ("Jones"), a Californian attorney, was listed as the Secretary of the League during the relevant period of April 2012 to April 2013. Respondent Jones has a last known address of 1158 26<sup>th</sup> Street, Suite 532, Santa Monica, CA 90403.

Order of Prohibition

-1400270-

6. Respondent Terrence Duckette ("Duckette") is a resident of California and has a last known address of 4322 Wilshire Boulevard, Suite 200E, Los Angeles, CA 90010.
7. On or around October, 2011, Respondent Duckette was employed as a salesperson at the League.
8. Investor A, an Illinois resident, was a private individual with an interest in purchasing or trading securities in athletic shoe companies.
9. In or around October, 2011, on behalf of the League, Respondent Duckette offered to sell Investor A, along with three (3) other Illinois investors, stock in the League on the premise that the League manufactured athletic (basketball) shoes that were expected to be endorsed by NBA athletes.
10. On October 6, 2011, Investor A made a check payable to the League in the amount of \$37,500 representing the purchase of 75,000 shares of stock purportedly at \$0.50 a share. The check was deposited into the League's bank account.
11. On March 20, 2012, Investor A made a check payable to Benjamin Jones Jr. Client Trust Account in the amount of \$25,000 with a memo on the check stating "for League shares" representing the purchase of 50,000 shares of stock in the League. The check was deposited into Respondent Jones' attorney client trust account.
12. The offer or sale of investments in the League constitutes the offer and sale of a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Act.
13. Section 5 of the Act requires the registration of a security being offered or sold in the State of Illinois unless an exemption applies.
14. Section 12.A of the Act states *inter alia* that it shall be a violation of this Act for any person to offer or sell any security except in accordance with the provisions of this Act.
15. Section 12.B of the Act states *inter alia* that it shall be a violation of the provisions of this Act for any person to deliver to a purchaser any security required to be registered under Section 5, Section 6, or Section 7 hereof unless accompanied or preceded by a prospectus that meets the requirements of the pertinent subsection of Section 5, Section 6, and Section 7.
16. The securities offered by Respondents have not been registered with the State of Illinois nor has any exemption filing been received by the Secretary of State regarding shares of stock in the League.
17. Respondents Harris, Johnson, and Jones, as principals of the League, offered and sold securities through the League's representative, Respondent Duckette, to at least four known Illinois investors without registering the security with the State of Illinois.

Order of Prohibition  
-1400270-

18. By virtue of the foregoing, Respondents the League, Harris, Johnson, Jones, and Duckette each violated Sections 12.A and 12.B of the Illinois Securities Law of 1953.

**COUNT II**

**Failure to Disclose**

19. Paragraphs 1 through 18 are herein incorporated by reference.
20. That on December 26, 2006, the State of California Business, Transportation and Housing Agency, Department of Corporations issued a Desist and Refrain Order against The League Company, Inc. and its principals, Respondents Harris and Johnson, ordering them to desist and refrain from offering or selling any security in the State of California.
21. The Desist and Refrain Order was not disclosed to Investor A, nor any other of the three (3) Illinois investors by Respondents the League, Harris, Johnson, Jones, or Duckette before the Illinois investors purchased shares of stock in the League.
22. Section 12.G of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et. seq.*, states that it shall be a violation of the provisions of the Act for any person to "obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading."
23. By virtue of the foregoing, Respondents the League, Harris, Johnson, Jones, and Duckette each violated Section 12.G of the Illinois securities Law of 1953 when they failed to disclose to the Illinois investors the State of California Desist and Refrain Order.

**NOW IT IS HEREBY ORDERED THAT:**

Respondent **THE LEAGUE COMPANY, INC.**, and any employee or representative, is **PROHIBITED** from the offer or sale of securities in or from the State of Illinois, and **PROHIBITED** from engaging in the business of an investment adviser and/or an investment adviser representative in or from the State of Illinois effective April 24, 2015.

Respondent **THE LEAGUE, INC.**, and any employee or representative, is **PROHIBITED** from the offer or sale of securities in or from the State of Illinois, and **PROHIBITED** from engaging in the business of an investment adviser and/or an investment adviser representative in or from the State of Illinois effective April 24, 2015.

Respondent **JAMES E. HARRIS** is **PROHIBITED** from the offer or sale of securities in or from the State of Illinois, and **PROHIBITED** from engaging in the business of an investment adviser and/or an investment adviser representative in or from the State of Illinois effective April 24, 2015.

Respondent **BEVERLY M. JOHNSON** is **PROHIBITED** from the offer or sale of securities in or from the State of Illinois, and **PROHIBITED** from engaging in the business of an

Order of Prohibition

-1400270-

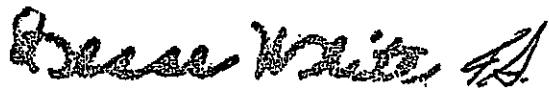
investment adviser and/or an investment adviser representative in or from the State of Illinois effective April 24, 2015.

Respondent **BENJAMIN JONES, JR.** is PROHIBITED from the offer or sale of securities in or from the State of Illinois, and PROHIBITED from engaging in the business of an investment adviser and/or an investment adviser representative in or from the State of Illinois effective April 24, 2015.

Respondent **TERRENCE DUCKETTE** is PROHIBITED from the offer or sale of securities in or from the State of Illinois, and PROHIBITED from engaging in the business of an investment adviser and/or an investment adviser representative in or from the State of Illinois effective April 24, 2015.

Delivery of this Order or any subsequent notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 24th day of April, 2015.



JESSE WHITE  
Secretary of State  
State of Illinois

Attorneys for the Secretary of State:  
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Office of the Secretary of State  
Illinois Securities Department  
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**NOTICE:** Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of the Order shall be guilty of a Class 4 Felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, 735 ILCS 5/3 -101 *et seq.* and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. I, Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.